



**NORTHWEST JACKSONVILLE ECONOMIC DEVELOPMENT FUND
(NWJEDF) ADVISORY COMMITTEE
CITY HALL AT ST. JAMES
117 WEST DUVAL STREET, 2ND FLOOR, CONFERENCE ROOM C
JACKSONVILLE, FL 32202
TUESDAY, AUGUST 20, 2019 AT 3:30 P.M.**

MEETING MINUTES

Location: City Hall at St. James, located at 117 West Duval Street, 2nd Floor, Conference Room C, Jacksonville, FL 32202

Advisory Board Members Present: John Allmand, Fred Atwill, George Barnes, Valerie H. Jenkins and Joe Whitaker

Advisory Board Members Not Present: Cynthia Glover, Karen Landry and Royce McGowan

Others Present: **Office of Economic Development (OED)** – Kirk Wendland, Paul Crawford, Ed Randolph, Wendy Khan and Corey Craig; **Office of Inspector General (OIG)** – Emerson Lotzia; **Visitors** – Bernie Estrada and Efraim Estrada (AA Auto Parts) and Philip “Tiger” May (Driver Performance Center).

I. CALL TO ORDER

Chair Whitaker called the NWJEDF Advisory Board meeting to order @ 3:30 p.m. A quorum was established.

II. ACTION ITEMS

APPROVAL –APRIL 16, 2019 MEETING MINUTES

BOARD MEMBER BARNES MOVED THAT THE APRIL 16, 2019 MEETING MINUTES BE APPROVED AS SUBMITTED. THE MOTION WAS SECONDED BY BOARD MEMBER JENKINS. A VOTE OF THE BOARD WAS TAKEN AND THE APRIL 16, 2019 MEETING MINUTES WERE UNANIMOUSLY (5-0) APPROVED BY THE MEMBERS PRESENT.

AMENDED NWJEDF BY-LAWS- PRESENTED BY KIRK WENDLAND, OED EXECUTIVE DIRECTOR

Executive Order No. 2019-04 was issued to reduce the number of board members on the NWJEDF Advisory Committee from nine members to seven members. The seven members will be appointed by the Mayor as follows: two small business owners; one person with knowledge of the construction industry (builder, developer, architect, etc.); two persons with knowledge of the financial industry (bankers, accountants, etc.); one person with knowledge of workforce preparation (educator, etc.); and one person of varied background. Additionally, four members of the Committee shall constitute a quorum (reduced from five members). Term limits were also reduced from three consecutive terms to two consecutive terms.

The by-laws were amended to reflect the changes in Executive Order 2019-04.

BOARD MEMBER JENKINS MOVED TO APPROVE THE AMENDED BY-LAWS AS PRESENTED. THE MOTION WAS SECONDED BY BOARD MEMBER ALLMAND. THE BOARD VOTED UNANIMOUSLY (5-0) TO APPROVE THE AMENDED BY-LAWS.

AA AUTO PARTS, INC. - PRESENTED BY ED RANDOLPH, OED DIRECTOR OF BUSINESS DEVELOPMENT

Project Summary: AA Auto Parts, Inc. is engaged in the sale of used auto parts and ferrous and non-ferrous metal recycling. The company proposes to expand its operations on a 14.45-acre site on the north side of West Beaver Street, just west of Lane Avenue. The expansion will incorporate a commercial metal shredding operation enabling them to increase production. The total cost to purchase and install the new metal shredding system is \$5.15 million. The project will result in the creation of five new full-time jobs at an average wage of \$26,000, plus benefits. AA Auto Parts, Inc. currently employs 5 full-time people and those positions will be retained.

Northwest Fund Assistance proposed:

A \$100,000 Northwest Business Infrastructure Grant (BIG) to offset a portion of the site improvement costs associated with the storm water construction, curb and guttering 1,550 linear feet and sidewalk improvements along W. Beaver Street. The total construction cost for these infrastructure improvements is \$242,800.

Northwest Small Business Development Initiative (SBDI) Loan totaling \$150,000 to finance a portion of the remaining cost of the site improvements costing \$931,453. The interest rate for the NW SBDI loan is 3% per annum, the loan term is 10 years, and loan amortization is 20 years, to comply with the Small Business Administration 504 Program Guidelines for subordinate financing. The SBA 504 loan term proposed is 25 years.

Overall the Northwest Fund Assistance proposed of \$250,000 represents 9.5% of the \$2.6 million of remaining project cost.

The project has a positive ROI of 1.94:1, for the City of Jacksonville.

Board Discussion:

Board Member Atwill asked the company representatives for clarification about the different types of vehicle shredding (referencing a chart in the project summary). "ASR" is the portion of the shredded vehicle that cannot be repurposed.

Chair Whitaker added that the proposed site is located at 6641 West Beaver Street, in a Level 2 Economically Distressed Area of the city. That portion of the road currently has no sidewalks. The proposed project and improvements would greatly help the area.

BOARD MEMBER ATWILL MADE A MOTION TO APPROVE THE \$100,000 BIG GRANT AND \$150,000 SBDI LOAN FOR AA AUTO PARTS. THE MOTION WAS SECONDED BY BOARD MEMBER ALLMAND. THE BOARD VOTED UNANIMOUSLY (5-0) TO APPROVE FUNDING FOR AA AUTO PARTS.

DRIVER PERFORMANCE CENTER LLC (DPC) – PRESENTED BY KIRK WENDLAND, OED EXECUTIVE DIRECTOR

Mr. Wendland distributed an updated project summary to the Board.

DPC's principal Philip "Tiger" May gave a short presentation to the Board regarding the background of the project.

Project Summary: DPC proposes to build a driver training facility on an undeveloped 16 acre parcel located at the intersection of Interstate Center Drive, Broward Road and Zoo Parkway adjacent to I-95 in North Jacksonville. The facility would have two major components: a 300 linear foot polished concrete skidpad, used primarily for skid control training and drifting and a 1.5 mile road course to provide dry conditions braking, handling and accident avoidance training. This would be the only facility of its kind within a 200 mile radius of Jacksonville not affiliated with a racetrack.

The cost to acquire the site and construct the facility is \$4.1 million. The project will result in the creation of 10 new full-time jobs at an average wage of \$35,000, plus benefits. The jobs to be created include general manager, operations manager, customer service representatives, driving instructors and auto maintenance technicians.

Northwest Fund Assistance proposed:

Northwest Business Infrastructure Grant (BIG) in the amount of \$80,000 to offset a portion of the storm water retention and drainage improvement costs. These overall costs are estimated to total \$480,000.

Overall the Northwest Fund Assistance proposed of \$80,000 represents 2% of the remaining \$4 million of the project cost.

Board Discussion:

Board Member Jenkins asked Mr. May to expound on his experience in business. Mr. May described his banking background and 18 years of prior entrepreneurial experience.

Board Member Barnes asked if Mr. May thought the proposed facility would attract customers on their way to Daytona. Mr. May stated that he speculates they will get some tourist/transient customers, given their proposed location on I-95, but that this will not be a race course; it will be a handling and educational course.

Mr. Wendland pointed out two corrections made to the updated project summary that was distributed. In the Security/Guarantees for City Obligation section, the security interest is in the tangible personal property only; not real property. And in the Job Requirement section, the applicant needs to maintain 10 new full-time jobs (not 5).

BOARD MEMBER ALLMAND MADE A MOTION TO APPROVE THE \$80,000 BIG GRANT FOR DRIVER PERFORMANCE CENTER. THE MOTION WAS SECONDED BY BOARD MEMBER BARNES. THE BOARD VOTED UNANIMOUSLY (5-0) TO APPROVE THE GRANT FOR DRIVER PERFORMANCE CENTER.

III. INFORMATION/DISCUSSION ITEMS

NWJEDF FINANCIALS UPDATE – PRESENTED BY WENDY KHAN, FINANCE AND COMPLIANCE MANAGER

NWJEDF Summary Statement as of August 1, 2019: The current unappropriated balance is \$5,721,417. The balance went up slightly because we are closing a project, and those funds will be returned to the Northwest Fund.

NWJEDF Outstanding Loans: as of August 1, 2019, all outstanding loans are current.

NWJEDF Project Tracking: First Coast No More Homeless Pets loan modification was added to the list.

Files at Office of General Counsel: there were no changes with the files that are in the Office of General Counsel for processing: Mr. G's Hair Depot; Cowealth, LLC; K Mack, LLC Shoppes at Norfolk; and Cedar Grove Corp.

UPDATE - FAILING NON-RESIDENTIAL SEPTIC TANK GRANT PROGRAM – ORD 2018-196-E - PRESENTED BY COREY CRAIG, OED PROJECT MANAGER

Commercial properties located in the Northwest area with a failing septic system may be eligible for up to a \$30,000 grant to replace/repair their septic system or connect to JEA Sanitary Sewer Service. Per ORD 2018-196-E, \$1 million was allocated to the program.

Six Septic Grant Agreements Executed to Date:

- 3 connection to JEA Sanitary Sewer Service completed;
- 2 septic system projects were upgraded and completed;
- 1 project is in progress

UPDATE - FOOD DESERTS ORD 2018-195-E - PRESENTED BY PAUL CRAWFORD, OED DEPUTY DIRECTOR

Per ORD 2018-195-E, \$3 million was appropriated for food deserts. Since then, a study was completed by a consultant, and City Council established a food desert fund to administer five different programs: full-service grocery stores, mobile markets, delivery systems, transportation to grocery stores and expansion of inventory offerings of existing stores. OED has been working with two grocers and an entity that would provide a mobile market. Hopefully they will be approved/announced within the next six months.

IV. OLD BUSINESS

There was no old business to cover.

V. NEW BUSINESS

There was no new business to cover.

VI. PUBLIC COMMENTS

There were no comments from the public.

VII. ADJOURNMENT

There being no further business, Chair Whitaker adjourned the meeting at approximately 4:24 p.m.

The next quarterly NWJEDF Advisory Committee meeting date is TBD.

The written minutes for this meeting are only an overview of what was discussed. For verbatim comments, an audio file of the meeting is available upon request. Please contact Corey Craig at (904) 255-5445, or by email at ccraig@coj.net.